

Message Text

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ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 TRSE-00 AID-05 EB-07 COME-00
OMB-01 ABF-01 FRB-03 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
NSCE-00 SSO-00 USIE-00 INRE-00 IOE-00 /082 W
-----151313Z 055816 /65

O R 151721Z JAN 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC IMMEDIATE 8775
INFO ALL EC CAPITALS 0292
USMISSION USUN IMMEDIATE
USMISSION GENEVA

C O N F I D E N T I A L PARIS 01431

USUN FOR USDEL 23RD UNDP GOVERNING COUNCIL

E.O. 11652: GDS
TAGS: UNDP, EAID, FR
SUBJECT: UNDP-US INITIATIVES ON USE OF ACCUMULATED
NON-CONVERTIBLE CURRENCIES

REFS: A. STATE 006775 B. STATE 006774
C. PARIS 30570

1. JANUARY 14, WE LEFT AIDE-MEMOIRE AND DRAFT US
PROPOSAL (REF A) WITH DANIEL BERNARD, UN ECONOMIC
AFFAIRS QUAI OFFICER RESPONSIBLE FOR UNDP. HE WAS
PLEASED TO RECEIVE SUCH A COMPREHENSIVE RESPONSE TO HIS
PREVIOUS INQUIRY (REF C). OWING TO SHORT TIME
REMAINING BEFORE UNDP GOVERNING COUNCIL SESSION,
BERNARD SAID HE WOULD IMMEDIATELY CABLE OUR PROPOSALS
TO FRENCH DELEGATION IN NEW YORK AND FOLLOW THIS WITH
FONOFF COMMENTS AND INSTRUCTIONS AS SOON AS THESE WERE
AVAILABLE NEXT WEEK.

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2. AFTER OUR PRESENTATION OF REF B TALKING POINTS AND
QUICK READ-THROUGH OF AIDE-MEMOIRE, BERNARD GAVE
INITIAL REACTION AS FOLLOWS: (A) US PROPOSAL IS
QUOTE INGENIOUS UNQUOTE, AND CERTAINLY WORTH TRYING;
(B) SOVIETS AND OTHER COMMUNIST PARTICIPANTS ARE
VIRTUALLY SURE TO REACT AS NEGATIVELY TO OUR FORMAL
PROPOSAL ON UNDP'S ACCUMULATED NON-CONVERTIBLE

CURRENCIES AS THEY DID TO OUR LESS COMPREHENSIVE
INFORMAL ONE RAISED DURING JUNE 1976 GOVERNING COUNCIL

MEETING; (C) THIS URRECEPTIVENESS WILL CONTINUE TO BE
BASED ON WHAT RUSSIANS SEE AS SERVICE TO THEIR OWN
INTERESTS INHERENT IN UNDP BUILD-UP OF STOCK OF NON-
CONVERTIBLE COMMUNIST CURRENCIES WHICH IN END WILL
HAVE TO BE UTILIZED BY UNDP RECIPIENT COUNTRIES IN
EITHER BUYING COMMUNIST GOODS AND SERVICES OR --
PERHAPS MORE IMPORTANT -- IN SENDING TRAINEES TO
RUSSIA AND EAST EUROPE; AND (D) NEW US PROPOSAL,
HOWEVER, DOES HAVE ONE IMPORTANT ADVANTAGE OVER
LAST JUNE'S INFORMAL PROPOSAL, VIZ: IT CONTAINS
MECHANISM (RECIPIENT COUNTRY-PURCHASE OF NON-CONVERTIBLE
FUNDS) WHICH MIGHT BE ABLE TO EXPLOIT GROWING
RESERVOIR OF LDC DISSATISFACTION WITH FINANCIAL
STRINGS WHICH SOVIETS AND EAST EUROPEANS INSIST
ON TYING TO THEIR UN CONTRIBUTIONS.

3. IN ASKING FOR FAVORABLE GOF CONSIDERATION OF OUR
PROPOSAL, WE STRESSED THAT SUPPORT FOR IT WAS NOT
COMMITMENT TO PARTICIPATE IN PURCHASE/SUBSTITUTION
PROGRAMS. BERNARD SAID HE UNDERSTOOD THIS, AND
ADDED THAT, WHILE HE WAS IN NO POSITION TO GIVE ANY
INDICATION OF WHAT FORMAL GOF REACTION WOULD BE, HE
WAS SURE OUR PROPOSAL WOULD RECEIVE CAREFUL STUDY.
GAMMON

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Message Attributes

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Sent Date: 15-Jan-1977 12:00:00 am
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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To: STATE
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